

# Commentary

THE BUFFIN FOUNDATION

SOCIAL AND ECONOMIC DEVELOPMENT ISSUES

## Appeal for a United States National Healthcare System

Articles 22 and 24 of the United Nations Universal Declaration of Human Rights state: "Everyone, as a member of society, has the right to social security and is entitled to realization, through national effort and international cooperation and in accordance with the organization and resources of each State, of the economic, social and cultural rights indispensable for his dignity and the free development of his personality. Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control." These articles in the Universal Declaration of Human Rights make specific references to health, medical care and security in the event of sickness. Most developed nations, with the exception of the United States of America, incorporate these human rights into the provisions of national healthcare systems that meet the implicit standards of moral and philosophical responsibility for the health of their people. Professor Uwe Reinhardt of Princeton University, who is recognized as a leading expert economist on the subject of healthcare, has observed that surveys of ordinary working Americans indicate that healthcare should be a right and that health issues should be egalitarian; however, according to Professor Reinhardt, the United States national policy on healthcare does not conform to that social ethic and is out of sync with what the people really want.

In an edition of its annual *World Health Report* that was published a few years ago, the World Health Organization (WHO) rated the national healthcare systems of 191 countries according to a number of criteria, including financing, organization,

operating efficiency, and fairness, to produce an objective relative ranking of each country's national healthcare performance. This WHO survey was designed by experts including doctors, public health officials, economists and statisticians. The United States was ranked at 37th for overall performance and at 54th for fairness in this evaluation, at about the same level as Chad, Rwanda, Bangladesh and the Maldives, some of the poorest and least-developed nations on earth. The major countries rating highly in the WHO study included Japan, France, Germany and Sweden. In a separate survey of "patient satisfaction" in seventeen advanced countries, the Harvard School of Public Health ranked the United States at fourteenth; Denmark was rated highest with a 91% satisfaction rating, whereas the United States garnered only a 40% satisfaction rating.

One of the successful and widely-praised components of the United States healthcare system is the Medicare program for eligible senior citizens over age 65 that was introduced in 1966 under the administration of President Lyndon Johnson. Medicare is a single-payer national social insurance program administered by the federal government, funded by a payroll tax, general revenues, and premiums and surtaxes from beneficiaries; Medicare currently covers about 55 million persons out of a population of around 325 million. Advocates for a national healthcare system believe that "*Medicare for All*" would be a logical next step in providing a reasonable and basic level of healthcare for the general population of the United States. On September 13th, Senator Bernie Sanders of Vermont introduced a Medicare for All bill in the Senate with the support of fifteen other senators. The Sanders bill would create a federally-administered single-payer healthcare program that provides comprehensive coverage for all Americans, ranging across the entire con-

tinuum of health issues, from inpatient to outpatient care, preventive to emergency care, primary care to specialty care, including long-term and palliative care, vision, hearing and oral health care, mental health and substance abuse services, as well as prescription medications, medical equipment, supplies, diagnostics and treatments. According to Senator Sanders, the United States currently spends \$3 trillion on healthcare each year, but by reforming the system, simplifying the payment structure and introducing new ways of delivering better healthcare to patients, his proposed plan will cost less than the current system and generate expected savings of \$6 trillion over the next ten years. To pay for the proposed Medicare for All program, significant changes would be made to the structure of Medicare financing as well as introducing major income tax reforms. The key components of the proposed financing arrangements include a 6.2 percent income-tax based healthcare premium paid by employers, a 2.2 percent income-based premium paid by households, and progressive income tax rates of 37 percent on income between \$250,000 and \$500,000 and higher rates of 43, 48 and 52 percent on income above \$500,000, \$2 million and \$10 million respectively. The proposed financing for healthcare would also tax capital gains and dividends on the same basis as income from work and would impose limits on tax deductions for households earning more than \$250,000.

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